



29 January 2015

## PS&C half year results update

PS&C (ASX:PSZ) advises that its half year EBIT for the period ended 31 December 2015 is likely to be lower than the corresponding period last year by approximately 11% before corporate overheads on a normalised basis.

The comparative half in FY15 was particularly strong and represented more than 43% of full year EBIT, whereas management believes the norm to be a smaller percentage of full year EBIT. The company remains confident on the full year outlook with the last quarter performance again important to full year results.

Commentary on businesses:

### PEOPLE

Revenue and profit will be up on the previous corresponding period including organic growth that does not include the Bexton acquisition.

The business continues to gather momentum in the general IT space with additional panel and customer wins that will assist growth.

### SECURITY

Revenue will increase on the previous corresponding period however the higher margin services revenue will be down due to some delayed projects and an inability to complete work prior to end December. PS&C believes the shortfall in EBIT to be a cyclical issue and expects the group to pick up this shortfall by the end of the financial year. The previous corresponding period EBIT represented 41% of full year EBIT and management believe the norm to be a smaller percentage. FY14 first half was 26% on a normalised basis.

Other progress has been made on widening the PS&C security offering and this is expected to produce results in FY17.

### COMMUNICATION

EBIT will be down on the previous corresponding period due to a more typical first half performance from the Communication division. Communication EBIT for first half FY15 represented 47% of full year EBIT, and management believe the norm is for the first half to be a smaller percentage as seen in FY14.. Revenue is down more significantly as the business moves toward a services and commission based income stream.

The Communication division is completing the assessment stage with a large potential customer and success will lead to \$10m of services work over three years commencing April 2016.

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